# EXHIBIT 16

Grievances against Espire CEO, Lisa Navarro

## Misuse of company funds

Withdrew all of her registered contributed capital without notification to board members that she pulled her funds. The excuse given was that CEO decided after the capital was registered that she later on interpreted it as a temporary loan and had the bookkeeper reimburse the contributed capital and treat it as loan repayment. No notification made to board for this reclassification. Instead the company working capital was substantially reduced below a desirable level.

Her withdrawal left just one investor with registered capital, John Radtke and she has repeatedly stated that his funds would be paid back, but instead has used those funds for personal entertainment and to fund her extravagances.

Used company funds to set up a NY apartment for herself. She actually misrepresented a request made to John Radtke, asking for a company letter of compensation reference which she asked for so she could get a new place to live in California. Instead she presented the letter to a NY real estate rental firm. The letter was used under false pretenses. The security down payment for the NY apartment was registered in her name and the lease was set up in her name, although it was paid for with company funds. This happened to be the exact same apartment that she had rented and vacated while working at the Blu Market prior to the start of trading at our company. No notification was provided to the board prior to her signing the lease. The other board members protested the use of company funds for the security deposit and monthly rent of \$3,950 but she did nothing about it. When informed by the company accountant at Siepert that this was an improper use of company funds and that this was the equivalent of a distribution in kind, she did not equalize the distribution to the other partners and board members. She claimed it was a NY office for the benefit of the NY based influencer managers, and that it would increase productivity while she mentored and coached the few individuals who reside in NY, but there has been no evidence that there has been any increase in productivity. She agreed to provide an ROI justification for the cost but has never done so. Only she benefits from the apartment.

She uses company funds to frequently fly from her California home to the NY apartment. This is a personal benefit only with no demonstrated company benefit. She never tells her partners where she is or where she is going or even what time zone she is in so we can conduct business in a manner respectful of local time of day.

She hired a chief operating officer, Ken Conyers at a weekly salary of \$1,500 for part time work, without board approval to take over the majority of the duties associated with her CEO position while maintaining her total compensation. There has been no accounting for his time or any work completed. He has a full time day job and is rarely available to help anyone in the company. He continues in place and has kept his salary despite protests from the partners and her agreement on multiple occasions that his contributions are no longer needed or

worthwhile. She agreed to terminate him on multiple occasions but did not do so. Most recently she has determined that he should be retained as the company CFO, although there is no demonstrated need for either a COO or CFO in a little company such as ours.

She hired numerous influencer managers without board approval, thus increasing operating costs, but has never demonstrated that these people are actually doing their jobs or achieving any operating goals. She agreed to provide weekly reports on the results of that team but has done so only once, breaking a promise to provide timely feedback to board members. One in particular, Alex (Ace) Vasquez remains on retainer because she claims to need his advice from time to time but he performs no regular work or service for his \$500 weekly payment.

Has co-mingled personal and business trips paid for with business funds with neither proper notice of upcoming events nor purpose of trips, nor results of any of those trips. She did not disclose where she was and chose not to tell any board members that she had taken such trips. These trips included visits to San Diego to visit her brother, a trip with her sister to Las Vegas, a trip to San Francisco, a trip to Mexico, and most recently to the Roosevelt Hotel in Hollywood. This last expense was made after all board members including her agreed to curtail optional or discretionary spending. She then did not disclose the activity and was not forthcoming about who she entertained and what was accomplished and what future benefit may be in store as a result of a \$6 K expense. There have been numerous trips to NY of a similar nature where she claimed to have been entertaining our influencers/ influencer managers, none of whom need to be entertained.

She just hired a graphic artist without authorization or notification to our sales and marketing leader to provide new versions of the company logo at the cost of \$1,500. There has been no request or demonstrated need to develop a new logo by any sales and marketing person.

Hired a graphic artist, Samantha Wallace on a weekly retainer of \$350 to be on standby to generate graphics whenever CEO feels it is necessary. There has been no accountability for activity or results.

### **Exposed the company to significant potential liabilities**

She was notified on multiple occasions to pay quarterly CA estimated income taxes when they were due in June and in September by the Treasurer. She failed to take heed and did not make the payments, subjecting the company to potential penalties and audit.

She appointed an attorney to send a termination letter to an employee/ consultant, Nick Balsimo on October 26 with a misstatement of fact concerning his termination. The day of the letter she notified a partner, Justin Emert that she was taking no action against Nick. She lied. When two board members called the appointed attorney they were told that the attorney could not answer their questions or speak with them, even though both claimed a legitimate right to speak with the attorney. The attorney hung up on them. When asked, the CEO went silent about the gag order she had placed on the attorney and did not respond to the board

contacts by phone or text. Nick has subsequently retained an attorney to investigate wrongful discharge and non-payment of earned commission. All three other board members assert that the commission claim is legitimate and should be paid. This leaves the company exposed to a potentially damaging claim and creates an unnecessary contingent liability caused exclusively by the CEO.

She was known to have offered marijuana to a client and smoked with that person at a business meeting.

Has been cited by customers for posting extravagant Instagram messages of excessive entertainment and flaunting her newly acquired luxury Mercedes automobile.

Has failed to report 40 % of her income which would be subject to withholding, instead takes out \$1,000 per week as earned commissions with no deductions.

#### Ineffective communication

CEO goes for extended periods of time when she does not respond to urgent text, phone call, voice mail messages and email from all of the partners.

CEO does not provide any information about her whereabouts, travel plans or activities.

CEO has refused to participate in regular staff meetings, weekly chats and at remote site planned meetings. She seldom explains what she did in lieu of participating in these meetings and often just blows them off.

CEO has promised on multiple occasions to provide regular updates on business results, P&L, sales activity, personnel matters and has consistently failed to deliver and participate.

CEO promised on two occasions to provide requested information from a potential business suitor for a strategic sale of the company. She failed to deliver anything which resulted in the negotiations slowing down while the suitor waited for answers which other partners had to supply, even though it was an area of expertise and direct responsibility of the CEO to do so.

Has failed to call the mandatory quarterly board meetings and refuses to discuss subjects typically associated with those meetings.

She has not responded to two invitations to attend or participate in a board meeting duly called for November 2. It appears she is ignoring the notice as she has not responded.

#### **Ineffective management**

Has not delivered necessary promotional support resulting in the loss of nearly all key customers due to the under expected performance of her influencer team.

Has failed to help attract or retain new clients and has actually driven them away with insufficient influencer traffic.

Has rejected thoughtful recommendations from the COO, Treasurer and board member about process related changes, efficiency improvement, higher productivity and cost savings initiatives. Initially she indicates agreement and support and then takes no action that she has committed to.

Did not make the requested and approved stock transfer between two board members despite the promise to do so.

Has demonstrated hostility and bias to certain employees who she undermined and indicated she wanted to terminate.

Put her sister on the payroll at \$750 per week and has not held her sister accountable for any company business.

Terminated employees (1099 consultants) only to whimsically hire them back.

Goes for weeks at a time without answering messages or reaching out to her partners.

John Radtke

Treasurer, Board Member, Sole Investor, Company Consultant

October 31, 2018